SHRI SUBRAMANIAN SWAMY: If I am permitted, the Member specifically said that there are no more exports from India to China. That is false. That ; s not correct. What is correct is this: Yes exports have declined. That is a fact' In 1981-82, export to China was 30, 376 tonnes. It has declined to zero in 1984-85 and 1985-86. After remaining at very low level this financial year which is going to be completed, it has sharply increased. So the main problem is that China has become increasingly Self-sufficient in tobacco production and they require our tobacco only for blending, This is the reason why they are cutting on imports Nevertheless, in view of the hon. Member's interest...

MR. CHAIRMAN; National interest also.

SHRI SUBRAMANIAN SWAMY; Yes, in the interest of the country also, we are propcsisng to take it up with the Chinese Government to increase our exports of tobacco.

DR. YELAMANCHILI STVAJI: Sir, I hope that I may not be arrested for putting more supplementary questions to the Minister.

SHRI VITHALBHAI M. PATEL: May I know from the Minister whether China has stopped importing tobacco from India because the quality of tobacco supplied to them was bad? May I also know from him what steps his Ministry have taken to export good quality tobacco to the Chinese?

PROF. SOURENDRA BHATTA-CHARJEE: You should advise China not to produce more tobacco.

SHRI SUBRAMANIAN SWAMY; I must say the hon. Member...

MR. CHAIRMAN; Don't answer him.

SHRI SUBRAMANIAN SWAMY; There were complaints about the quality of tobacco exported by some exporters to China in the year 1981-82. According to the Tobacco Board, there were claims of about $ 7 million against several Indian exporters, A three mefmber delegation consisting of the Chairman of the Tobacco Board, an officer of the STC and officers of the Directorate of Marketing and Inspection visited China in February, 1983, to remove the misunderstandings. Since then except for one export company, we have received no complaints about the quality of exports.

MR. CHAIRMAN: Q. No. 106.

Setting up of Mini Steel Plants with Chinese Collaboration

*106. SHRI BAL RAM SINGH YADAVA:

DR. JINENDRA KUMAR JAIN: t

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that recently a Chinese delegation had come to India to explore the possibilities Of setting up mini. Steel plants in the country;

(b) whether it is also a fact that China has latest economical and technological know-how for setting up mini steel plants: and

(c) if so, what are the details in this regard and what is Government's reaction thereto?

THE MINISTER OF STEEL AND MINES (SHRI ASHOKE KUMAR SEN); (a) Yes, Sir.

(b) Government have not yet received any communication about the use of latest Chinese technology for mini steel plants for our country.

(c) The question does not arise. Gov-ernment will consider any proposal for using Chinese technology in all aspects, whenever the same is submitted to Government.

tThe question was actually asked on the floor of the House by Dr. Jinendra I Kumar Jain.

DR. JINENDRA KUMAR JAIN: Sir, this is a very unsatisfactory answer from the Minister in charge of. a Development Ministry. The hon. Minister is behaving like a police inspector that unless an FIR is brought to his notice he will not take any action. Sir, in this age of technological advancement, the Ministry has to be alert about what is going around. He admits that a Chinese delegation came over here. He says that he does not know what they did in this country. For his information, I wish to bring to his attention a press report published on 3-1-1991 in the Hindustan *Times,* New Delhi which talks of the Chinese delegation coming here. It says that a Chinese delegation consisting of 14 highly professional members...

MR. CHAIRMAN: You come to the point. The number of members is not relevant here.

DR. JINENDRA KUMAR JAIN: The point is, here is a claim reported in the newspaper published from New Delhi. It says in detail what they have to offer.

There is another report wh:. eh disturbs me. It is in the 'Financial Express' of 7-11-1990 which says that this shortfall in finished-steel production is likely. There is another press report which says that the Chairman of (he Steel Authority of India has said that they are planning an investment of Rs. 10, 000 crores and they have an investment blueprint for Rs. 10, 000 crores. Sir, my concern is, when the Ministry of Steel is planning such a huge investment as Rs. 10, 000 crores by one public sector undertaking under its control, how can they appear to be so ignorant about what is happening on the technological front? They should go around the world. But what about the people who are coming to the city of New Delhi. The Government of India say that they do not know what these people did. This is my concern and that Is why I have said that this kind of a statement cannot be accepted by this House.

MR. CHAIRMAN: Wait a minute. Your question is whether it is a fact that China has the latest economical and technological know-how for setting up mini steel plants. For that, it has to be compared with the technologies of other countries. You don't want the Minister to accept this proposition!

DR. JINENDRA KUMAR JAIN: He has said 'yes'.

MR. CHAIRMAN: He will examine it.

DR. JINENDRA KUMAR JAIN: No. He says 'yes' to that question. If he has said 'no' I would have accepted-But he kn°ws.

MR. CHAIRMAN: Mr. Minister, have you accepted the position that the latest most economical technology is with China?

SHRI ASHOKE KUMAR SEN: Ihey have some technological processes developed for the purpose of manufacturing pig-iron first with the aid of blast furnaces and coking coal and an integrated plant later on to produce steel. In the mini steel plants in India, we are having only scrap to be used without coke and with hot furnaces to produce steel straightway. The Chinese method is to produce pig-iron first like the big integrated steel only scrap to be used without coke and small blast furnace, for the purpose of producing steel integrated with pig iron production. We konw about it. But there has been no proposal by this delegation which came for the purpose of collaborating with us and we have explained our policy on numerous occasions that we are open to the consideration of any application which may come from any party for the purpose of setting up integrated steel plants o$_n$ Chinese technology or any other technology. But that has not yet come and we have said that we shall consider it in all its aspects. How is it unsatisfactory, I cannot say.

We are not ignorant. To the question, i "Are you well aware of the technology?", i I may reply that we may not be well I aware, but we are aware as to what ^technology is.

DR. JINENDRA KUMAR JAIN: My sue'stion is...

MR. CHAIRMAN: I have read it.

DR. JINENDRA KUMAR JAIN: My question is whether the Government is aware that a Chinese delegation had come to India.

MR. CHAIRMAN: For tha'. hs has said 'yes.

Dr. JINENDRA KUMAR JAIN: They are aware. By talking a technical language which most of the Members may not be fully conversant with, he is evading the question.

MR. CHAIRMAN: Wait a minute. Your words are very clear. You have asked whether it is also a fact that China has latest economical and technological know-how for setting up mini steel plants. Now, about that, when the proposal comes, he will examine whether the Chinese is the best or the Swedish is the best or the Russian is the best or the German or the American or the British.

DR. JINENDRA KUMAR JAIN: Sir, you are reading only half of my question.

MR. CHAIRMAN: This is part (b).

DR. JINENDRA KUMAR JAIN: In part (a), I have asked whether it is a fact that recently a Chinese delegation had: orae...

MR. CHAIRMAN: For that he has said 'yes'.

DR. JINENDRA KUMAR JAIN:... to explore the possibilities of setting up mini steel plants in the country. He says 'yes'. He knows that. The next question was...

MR. CHAIRMAN: I have read the question two times.

DR. JINENDRA KUMAR JAIN: What was the purpose of the delegation? He says he has not received any communication. Who will inform him? Whose communication he is waiting for?

MR. CHAIRMAN: You may inform him and prove that it is the latest technology and the most economical.

DR. JINENDRA KUMAR JAIN: My concern is that the Ministry should work as a watch-dog to serve the interest of this nation. But they are behaving like police inspectors. Somebody must bring something to their notice like an FIR and then they will act. *(Interruptions").*

MR. CHAIRMAN: Now kindly put your supplementary. There is no question of any FIR.

DR. JINENDRA KUMAR JAIN: Sir, the Minister said, they have not received any communication. I am objecting to that kind of a thing. It is the basic philosophy of the Government. I would like to know whether their job is inspection alone or their job is development. If their job is development, it is the job of this Ministry to find out what is the latest technology, how it could be made available to the country's projects. Instead of doing that, they say, they are just waiting for the communication. *(Interruptions),*

SHRIMATI JAYANTHI NATARAJAN: What is the question, Sir? *(Interruption).* Dr. Jain has been making a speech for the last 15 minutes.

SHRI ASHOKE KUMAR SEN: Sir, I am ready to be of assistance without being technical. The hon. Member there is right in saying that in this entire discussion, we have failed to discover the question, but I am not relying upon that technical aspect. The hon. Member said that we are not doing development, and we are acting a's polite inspectors. In this country, there is an Act called the Industrial Development and Regulation Act and there are rules framed under that Act which provides that for the setting up of any industry with or without any technical

collaboration and in the format, the application in the prescribed format has to be made. It must state what the industry is going to be, what the collaboration, if any, would be, what would be the capacity or the technology and so on. Then alone is the Government called upon to examine the feasibility or the latest character of that technology. Simply by saying that the Chinese have the latest technology, the Government can be expected to say, yes or no. "No" may be incorrect. "Yes" might also be very risky. Therefore when that technology is put before the Government in the proper format as prescribed under the rules can the Government be expected to examine it and tp say either yes or no—the Hon. Member certainly knows this because he appears to be quite conversant with this aspect of the matter and that he has to apply and if he applies—I can assure him that we shall attend to him immediately.

श्री बलराम सिंह यादव : सभापति महोदय, मैं आपके माध्यम से माननीय मंत्री जी से यह जानना चाहता हूं कि इस समय देश में जो मिनी स्टील प्लांट्स हैं उनकी प्रोडक्शन कैपेसिटी क्या है और वहां से इस वर्ष कितना प्रोडक्शन हुआ है ?

श्री अशोक कुमार सेन : कुल प्रोडक्शन जो हिंदुस्तान में अभी है वह करीब 14 मिलियन टन है। इसमें से 30 प्रतिशत सेकेण्डरी सेक्टर या जो मिनी स्टील प्लांट्स हैं ये प्रोड्यूस करते हैं।

श्री बलराम सिंह यादव : क्षमता क्या है ? टोटल कैपेसिटी क्या है ?

श्री अशोक कुमार सेन : कैपेसिटी के बारे में अगर आप नोटिस देंगे तो हम जवाब देंगे । अभी हमारे पास ब्यौरा नहीं है ।

MR. CHAIRMAN: He requires notice.

SHRI MOHINDER SINGH LATHER: Sir, it is very unfortunate that India is exporting iron ore to other countries which is the raw material for pig-iron and steel and we are importing steel and pig-iron from other countries. Indian iron ore. Sir, this may help the hon. Member Government doing to see that this raw/, ». material, iron ore, is utilised by us in the manufacture of pig-iron and steel by ourselves and we are not to import steel and pig-iron from other countries after spending huge amounts of foreign exchange?

SHRI ASHOKE KUMAR SEN; Sir, this question has got two aspects. The question of export of iron ore is a different question. We are doing it to earn foreign exchange. So far as our steel plants are concerned, they are not short of iron ore at all and there is plentiful supply of iron ore. Sir, this may help the hon. Member that So far as the production of pig-iron" is concerned, we have approved the collaboration proposal of Chinese technology. But so far as our shortage of pig-iron and steel is concerned, pig-iron is still in short supply and we are trying to increase the production of pig-iron, both in our integrated steel plants and in our mini plants. If we can imbibe the technology of producing pig-iron from iron ore by mini blast furnaces, we are going to encourage it in a large way and we have made it very clear that we shall consider any application for the manufacture of pig-iron immediately. So far as our shortage of steel production is concerned, it is true that we have been unable to reach the *J)* target. Instead of reaching our target of 25 million tonnes we have reached only about 14 million tonnes uptil now. We are taking very large measures for the purpose of increasing the production of steel both in the large sector, the public sector and the private sector, as also in our mini plants sector and we hope that in the years to come after Visakhapatnam goes into production, which will produce 3 million tonnes, and after expansion programmes of the other plants are completed and the Indian Iron and Steel Co. modernisation programme is also completed, we shall not be self-sufficient but we shall also be in a position to export steel.

MR. CHAIRMAN: Are you sure? You have made a commitment in the House.

SHRI ASHOKE KUMAR SEN: No, no; we are expecting. Our expectation commitment is very clear.

SARDAR JAGJIT SINGH AURORA: *y* Mr. Chairman, Sir, I would like to plead j the cause of the. mini steel plants in Punjab and specially Gobindgarh which at one time was known as the steel city of the north. Their problem is that they are neither receiving steel from the steel plants nor are they receiving coal and, as a result, Gobindgarh is now becoming a sick city as opposed to a steel city. And, therefore, can any special measures be taken to revive the steel industry in Gobindgarh?

SHRI ASHOKE KUMAR SEN: I am not quite sure what the industry in Gobind-fr~ garh was. If it is a mini plant run with blast furnace, then it would certainly be using only scrap iron which supplied both by the big plants as also by imports. But I do not know what the difficulties are. I would want a separate question for that.

MR. CHAIRMAN: Gobindgarh is in Punjab and about Gobindgarh what he says is correct. Now will you kindly look into it because if their difficulties are solved, then it will solve many other problems?

SHRi ASHOKE KUMAR SEN: We shall certainly look into it. But I have h had no question asked nor any communication received.

SARDAR JAGJTr SINGH AURORA: I think this has been out in the newspapers and there has been a request for the last so many months. You may ask your Ministry to go into the details; they must be with them.

SHRI ASHOKE KUMAR SEN: I shall certainly go into them, I say I am certainly not aware of their difficulties.

SHRI SUKOMAL SEN: The question related to facts. Now the Government has discussed with the Chinese delegation about it. But I would like to have some concrete information from the Minister whether the Government has Set up some new mini steel plants in India, and if so, how many plants and where.

SHRI ASHOKE KUMAR SEN: Sir, the policy has been explained on the floor of the House several times that we are encouraging private sector and Joint sector to set up mini steel plants.

SHRI H. HANUMANTHAPPA: Sir, the Minister has agreed that the Chinese delegation has come here for exploring the setting up of steel plant's and he has also agreed that he is encouraging private sector as well as joint sector and he has further emphasised that there should be an application. Sir, whether it is a private sector or a joint sector, it is by application. If it is a country coming for exploring the possibility, it can be by bilateral talks. In the Fourth Plan foundation- was laid in Karnataka for Vijayanagar Steel Plant.

MR. CHAIRMAN: The question was about mini steel plants. And that is not a mini steel plant.

SHRI H. HANUMANTHAPPA: He has also said about integrated steel plants. In his answer he has covered a vast area of steel plants. So I want to take advantage of it. Will the Minister consider and explore the possibility?

MR. CHAIRMAN: You see the dis-advantage of others who want to put a question.

SHRI H. HANUMANTHAPPA: Recently the Minister of State for Steel and Mines issned a statement in Karnataka that Vijayanagar Steel Plant would be started immediately, that it was in the final stage. I would request the Minister whether he will consider involving the Chinese Government. and their investment to start the Vijayanagar Steel Plant immediately, instead of waiting indefinitely. The project has been waiting for the last twenty years.

SHRI ASHOKE KUMAR SEN: We are very hopeful that it will start in the near future. But that is not a Chinese collaboration. That is with some other technology.

MR. CHAIRMAN: So long as you start it, he is happy.

SHRI ASHOKE KUMAR SEN: If the honourable Member puts in an application for Chinese collaboration, we shall certainly consider it.

Setting up of Currency Corporation of India

*107. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) whether an institution styled 'Currency Corporation of India' has been set up with headquarters at Bombay;

(b) whether it is a part of the Reserve Bank or a separate institution independent of the R. B. I.; and

(c) what are the functions of this institution?

THE MINISTER OF FINANCE (SHRI *y* ASHWANT SINHA): (a) No, Sir.

(b) arid (c) Do not arise.

SHRI ASHIS SEN: If I have been able to hear the Minister properly, he has said that Currency Corporation of India has not been established. Or, is it that there is no proposal also for that? As far as the Reserve Bank of India is concerned, it is clearly indicating that some officials are being appointed, including the Chairman. Therefore, I am not able to find the reality from the answer given by the Minister.

SHRI YASHWANT SINHA: The question asked is whether an institution styled Currency Corporation of India has been set up with headquarters at Bombay—"ha* been". The only answer to this question could be 'no', because it has not been set up. But the Reserve Bank of India is planning, is in the process of setting up two new note printing presses and we are still considering whether, in order to put the entire printing or the printing presses together, a new organisation under the Reserve Bank of India is needed or not. The matter is still undet examination and, therefore, I had no option but to answer the question in the manner in which I did or I was compel- T led to do. I didn't like to do it but this was the only way in which the question could have been answered.

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SHRI ASHIS SEN: My supplementary would be: Is it in the perspective of bifurcating the Reserve Bank of India and handing over the responsibility of note printing to the new organisation, because this has something to do with the working of note printing at Nasik and other places? If this propositioa comes up, then what will be the functions of this new organisation? Win all the printing presses be taken over by the Corporation and the currency management simply detached from the Reserve Bank of India Which the Reserve Ban^ of India is managing today? Because, it has something to do with more than 8, 000 employees working in those departments.

SHRI YASHWANT SINHA: As I said in answer to the first supplementary, the matter is still under the consideration of the Reserve Bank of India and the Government of India and, therefore, it will not be possible for me to answer questions of detail regarding what the functions will be the new corporation if - -"" it were to *be)* set up and what its position will be in relation to the Reserve Bank. That will not be possible.

SHRI DIPEN GHOSH: Just now the Finance Minister said that the Reserve Bank of India has been contemplating to set up two more currency presses, to print more notes. Is it because the capacity of the existing presses is running out or is it because the Government needs more notes and, for that matter, more inflationary measures to be created in our^ country?

SHRI YASHWANT SINHA: The existing facility which is at the disposal of the Reserve Bank is inadequate. There